<u>Remarks</u>

The present amendment responds to the Official Action dated April 22, 2005. A petition

for a one-month extension of time and authorization to charge Deposit Account No. 50-1058 for

the fee for this extension accompany this amendment. The Official Action objected to the

claims. The Official Action provisionally rejected claims 1-10 under the doctrine of

obviousness-type double patenting as unpatentable over claims 1-10 of copending Application

No. 09/788,132. The Official Action rejected claims 1-10 under 35 U.S.C. 102(e) as

unpatentable over Dhar U.S. Patent Publication No. 2002/0040339 A1 ("Dhar"). These grounds

of rejection are addressed below following a brief discussion of the present invention to provide

context. A terminal disclaimer is filed herewith. Claims 1, 4, 6 and 9 have been amended to be

more clear and distinct. Claims 1-10 are presently pending.

<u>The Present Invention</u>

A system according to an aspect of the present invention provides automated evaluation

of a proposed workout for problem loans. A server computer communicates with network of

terminals, such as personal computers communicating with the server computer through the

Internet. A personal computer is suitably used to transmit information relating to a proposed

workout for a financially troubled borrower. The server computer suitably has access to stored

information relating to the borrower and the loan. The server computer suitably operates under

the control of approval analysis software, and uses the transmitted information and the stored

information relating to the borrower and the loan to automatically evaluate the proposed workout

in light of criteria for approving, deferring or denying a proposed workout. The server computer

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transmits appropriate notices in response to a transmission of a proposed workout, such as a

notice of approval if the transmitted and retrieved information meet predetermined criteria, or

instructions for further or alternative actions, such as submitting a workout package for manual

review, if the information does not meet the predetermined criteria.

The Objections to the Claims

The Official Action objected to claims 1-10 on the ground that claims 1 and 6 lack proper

antecedent basis. With the present amendments to claims 1 and 6, this objection has been

overcome and should be withdrawn.

The Double Patenting Rejections

The Official Action provisionally rejected claims 1-10 under the doctrine of obviousness-

type double patenting as unpatentable over claims 1-10 of copending Application No.

09/788,132. A terminal disclaimer is filed herewith. The double patenting rejections have thus

been overcome and should be withdrawn.

The Art Rejections

All of the art rejections hinge on the application of Dhar, standing alone. As addressed in

greater detail below, Dhar does not support the Official Action's reading of it and the rejections

based thereupon should be reconsidered and withdrawn. Further, the Applicants do not

acquiesce in the analysis of Dhar made by the Official Action and respectfully traverse the

Official Action's analysis underlying its rejections. Additionally, it is not admitted that Dhar is

in fact prior art, but rather than undertake to swear behind it, Applicants choose at this time to

distinguish it.

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The Official Action rejected claims 1-10 under 35 U.S.C. 102(e) as unpatentable over Dhar. In light of the present amendments to claims 1 and 6, this ground of rejection is respectfully traversed.

Claim 1, as amended, claims a network of personal computers connected into a network administered by a central server computer. Each personal computer in the network includes a network interface for transmitting servicer inputs to, and receiving outputs from, the server computer. Each personal computer in the network further includes display screens for receiving inputs from, and providing outputs to, a servicer on behalf of a financially troubled borrower. The inputs and outputs include inputs and outputs relating to a proposed workout to resolve a problem status of an existing loan obligation of the financially troubled borrower. The central server computer has a central processing unit that runs automatic workout approval analysis software and has access to electronically stored information relating to the financially troubled borrower and other information necessary to analysis of a decision for approval, deferral or rejection of the proposed workout. The central server computer is operative, under the control of the workout analysis software, to analyze details of the proposed workout in light of criteria established by a mortgage insurer. The analysis takes into account concessions that must be made in order to accomplish the proposed workout. The analysis further taking into account financial conditions related to the borrower and the property influencing the desirability of making the concessions necessary to accomplish the loan workout and the likelihood of success of resolving the problem status of the loan through the loan workout. These limitations are not taught or made obvious by Dhar.

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Dhar teaches a system for rendering credit decisions, including a workflow designer, an interface and a database. The system also includes checklists created by the workflow designer, with a checklist being used to evaluate an application for a loan offering associated with the checklist. The system of Dhar is directed toward evaluating new applications for credit. New applications for credit typically require a relatively straightforward gathering and evaluation of data, such as comparison of income and credit data against predetermined criteria. The present invention, on the other hand, as claimed by claim 1, deals with a more difficult problem, that is, evaluating a proposal to resolve a problem status of an existing loan. The resolution will typically require concessions to be made to the borrower to allow and the invention as claimed by claim 1 provides for evaluating the concessions to be made and the conditions under which the concessions are to be made. Typical conditions evaluated in considering whether to approve a proposed workout include the financial condition of the borrower, the extent of the financial distress of the borrower and whether the borrower's financial distress is temporary or long term, whether or not the borrower has equity in the property, whether or not the borrower has declared bankruptcy and the details of the bankruptcy filing, and other considerations relevant to determining the desirability of taking steps needed to resolve a loan's problem status. The system of Dhar would typically simply reject an application for a new loan submitted by a financially distressed borrower, or would restrict the offers presented to those appropriate for a high risk borrower. In conditions contemplating the use of a system according to the present invention, however, the option of simply rejecting the loan or offering stringent terms for the loan is not available because the loan obligation has already been entered into and the funds

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advanced. The system of the present invention, as claimed by claim 1, provides for efficiently

evaluating proposed steps to be undertaken to reduce potential losses associated with an existing

loan, a situation not contemplated or addressed by Dhar. Claim 1, as amended, therefore defines

over the cited art and should be allowed.

Claim 6, as amended, claims connecting a network of personal computers connected into

a network administered by a central server computer, providing each personal computer in the

network with a network interface for transmitting servicer inputs to, and receiving outputs from,

the server computer and displaying on each personal computer in the network screens for

receiving inputs from, and providing outputs to, a servicer on behalf of a financially troubled

borrower, including inputs and outputs relating to a proposed workout to resolve a problem status

of an existing loan obligation of the financially troubled borrower. Claim 6 further claims

running automatic workout approval analysis software having access to electronically

stored information relating to the financially troubled borrower and other information necessary

to analysis of a decision for approval, deferral or rejection of the proposed workout. The

workout analysis software is operative to analyze details of the proposed workout in light of

criteria established by a mortgage insurer. The analysis takes into account concessions that must

be made in order to accomplish the proposed workout. The analysis further takes into account

financial conditions related to the borrower and the property influencing the desirability of

making the concessions necessary to accomplish the proposed workout and the likelihood of

success of resolving the problem status of the loan through the proposed workout. As noted
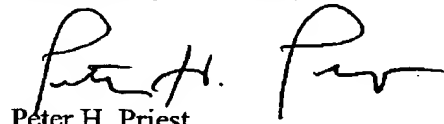
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above with respect to claim 1, Dhar does not teach or make obvious these limitations. Claim 6,

as amended, therefore defines over the cited art and should be allowed.

Conclusion

All of the presently pending claims, as amended, appearing to define over the applied

references, withdrawal of the present rejection and prompt allowance are requested.

Respectfully submitted,

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